MANAGED RISK MEDICAL INSURANCE BOARD
STATE LEGISLATIVE REPORT

October 9, 2012

Bill	Summary
AB 174 (Monning) Version: 8/24/12 Sponsor: Author Status: CHAPTERED	**Office of Systems Integration: California Health and Human Services Automation Fund** Would establish the California Health and Human Services Automation Fund within the State Treasury and would, upon appropriation by the Legislature, and allow for expenditure of money deposited into the fund to support the Office of Systems Integration for several purposes. One of these purposes would be support of the California Healthcare Eligibility, Enrollment and Retention System. Among funding sources described in the bill for this purpose is the Managed Risk Medical Insurance Board, The funds subject to transfer would be those appropriated to MRMIB and other designated agencies in the annual Budget Act for this specific purpose. The bill further authorizes the Franchise Tax Board and the Employment Development Department to disclose tax returns or return information, as well as information on employment, wages and disability insurance and unemployment insurance, respectively, to MRMIB and other designated agencies for verification of eligibility purposes.
AB 792 (Bonilla) Version: 8/24/2012 Sponsor: Author Status: CHAPTERED	**Health Care Coverage: California Health Benefit Exchange** This bill would, on or after January 1, 2014, require a court, upon the filing of a petition for dissolution or nullity of marriage, or legal separation to provide a specified notice informing the petitioner and respondent that they may be eligible for reduced-cost coverage through the California Health Benefit Exchange or no-cost coverage through Medi-Cal. The bill also would require a court to provide such a notice to a petition for adoption. The bill would require the notice to include information regarding obtaining coverage through those programs and would require the notice to be developed by the Exchange.
AB 823 (Dickinson) Version: 6/13/2012 Sponsor: Children Now Status: VETOED	**California Children's Coordinating Council** Would have established the California Children's Coordinating Council to advise and make recommendations to the Governor and the Legislature on ways to improve collaboration among state agencies and departments that provide services to children and ways to improve those services. The bill specified that the Cabinet would consist of the Superintendent of Public Instruction, the Secretary of the California Health and Human Services Agency, the Chief Justice of the California Supreme Court, the heads of several other specified agencies and departments within the state and two members each of the Assembly and the Senate.

Bill	Summary
AB 1083 (Monning) Version: 8/24/2012 Sponsors: Health Access; Small Business Majority Status: CHAPTERED	**Health Care Coverage** Would prohibit a health care service plan contract or health insurance policy, with respect to plan years on or after January 1, 2014, from imposing a pre-existing condition provision upon any individual, except as specified. The bill would also enact provisions that apply to non-grandfathered and grandfathered plans with respect to plan years on or after January 1, 2014, consistent with the Patient Protection and Affordable Care Act (ACA). Among other things, this bill would require that on or after October 1, 2013, a plan or insurer must offer, market and sell all non-grandfathered plans sold in the small group market to all small employers in each service area in which the plan provides or arranges for the provision of health care services. The bill would require non-grandfathered plans to provide open enrollment periods consistent with federal law and special enrollment periods and coverage effective dates consistent with the individual non-grandfathered market and would authorize plans and insurers to use only age, geographic region, and whether the plan covers individuals or dependents for purposes of establishing rates for non-grandfathered small employer plans. This bill would authorize the departments of Managed Health Care and Insurance to adopt emergency regulations implementing the bill's provisions regarding grandfathered plans by August 31, 2013, as specified.
AB 1453 (Monning) Version: 8/23/2012 Sponsor: Author Status: CHAPTERED	**Essential Health Benefits** This bill would require an individual or small group health care service plan contract issued, amended, or renewed on or after January 1, 2014, to cover essential health benefits, defined as including health benefits covered by particular benchmark plans. The bill would prohibit treatment limits imposed on these benefits from exceeding corresponding limits imposed by the benchmark plans and would generally prohibit a plan from making substitutions of the required essential benefits. The bill would specify that these provisions apply regardless of whether the contract is offered inside or outside the California Health Benefit Exchange; however the bill specifies that its provisions do not apply to several other products, including Medicare supplement plans. The bill also would prohibit a health care service plan from stating or implying that essential health benefits are covered unless specifically stated in the contract.
AB 1461 (Monning) Version: 8//24/12 Sponsor: Author Status: VETOED	**Individual Health Care Coverage** Would have implemented several ACA provisions related to the offer, sale, issuance and renewal of individual health benefits, beginning January 1, 2014. This bill would have required health care service plans and insurers that offer individual and small group coverage to issue coverage to every individual or employer that applies for that coverage, regardless of health status. The bill would have also required that the coverage be renewed at the option of the plan sponsor or individual and not be terminated nor rated up based on health status. The bill included several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics. SB 961 contained identical provisions.

Bill	Summary
AB 1526 (Monning) Version: 8/24/2012 Sponsor: Author Status: CHAPTERED	**California Major Risk Medical Insurance Program** Would allow MRMIB set premiums for MRMIP as low as 100 percent of the standard premiums paid for comparable coverage in the private market during calendar year 2013. Furthermore, the bill would prohibit the additional subsidy from affecting the calculation of premiums for certain commercial products that, by statute, base premiums on MRMIP subscriber premiums. These include health care service plans and health insurance sold under the Guarantee Issue Pilot Program, HIPAA individual market plans and conversion coverage.
AB 1846 (Gordon) Version: 8/21/2012 Sponsor: Author Status: CHAPTERED	**Consumer Operated and Oriented Plans** Would authorize the Director of the Department of Managed Health Care to issue a health care service plan license or the Insurance Commissioner to issue a certificate of authority to a consumer operated and oriented plan (CO-OP) established consistent with the ACA. The bill would specify that a CO-OP that is issued a health care service plan license or certificate of authority is subject to all other provisions of law relating to health care service plans or insurance and would further specify that a CO-OP health care service plan or insurer and any solvency loan obtained by the CO-OP are subject to certain requirements imposed on mutual insurers.
AB 2508 (Bonilla) Version: 8/24/2012 Sponsor: California Labor Federation, Western Center on Law and Poverty Status: CHAPTERED	**Public Contracts: Public Health Agencies** Would prohibit a state agency from contracting for call center services with entities that do not certify that contracted and subcontracted work is being performed solely by workers employed in California. The bill requires that any contractor that knowingly provides false certification shall be subject to a civil penalty of $10,000, in addition to any other remedies available to the state agency. The bill specifies that these requirements would apply to state agencies that are authorized to enter into contracts for specific public benefit programs, including CalWORKS, CalFresh, Healthy Families and the California Healthcare Eligibility, Enrollment and Retention System. The only exception that may be exercised is if the California Health and Human Services Agency or the board of the California Health Benefit Exchange determines that bids from a prior solicitation were unreasonably high as a result of this bill's provisions. This bill is would go into effect January 1, 2013. The bill also specifies that these requirements would not apply to a contract with a health care service plan or a specialized health care service plan regulated by the Department of Managed Health Care or a contract with a disability insurer or specialized health insurer regulated by the Department of Insurance and any subcontracts performed under those contracts.

Bill	Summary
SB 764 (Steinberg) Version: 8/20/2012 Sponsor: Author Status: VETOED	**Developmental Services: Telehealth Systems Program** This bill would have required each regional center individual program planning team to consider the use of telehealth, as defined in state statute, whenever applicable, for the purpose of improving access to intervention and therapeutic services for consumers and family members, and for purposes of facilitating better and cost-effective services, as provided. The bill would have required the department to implement appropriate vendorization subcodes for telehealth services and programs.
SB 951 (Hernandez) Version: 8/24/2012 Sponsor: Author Status: CHAPTERED	**Health Care Coverage: Essential Health Benefits** Would require that, consistent with the ACA, individual and small group coverage include "essential health benefits" beginning in January 2014. The bill would define "essential health benefits" as those benefits and services covered by the Kaiser Foundation Health Plan Small Group HMO 30 Plan offered during the first quarter of 2012. The bill specifies that these benefits and services would include those items and services covered by the contract within the categories required by the ACA and mandated benefits enacted prior to December 31, 2011. AB 1453 contains similar provisions.
SB 961 (Hernandez) Version: 8/24/2012 Sponsor: Author Status: CHAPTERED	**Individual Health Care Coverage** Would implement several ACA market reforms that take effect January 1, 2014 regarding the offer, sale, issuance and renewal of individual health benefits. The bill would require health care service plans and insurers that offer individual and small group coverage to issue coverage to every individual or employer that applies for that coverage, regardless of health status. The bill would also require that the coverage be renewed at the option of the plan sponsor or individual and that it not be terminated nor rated up based on health status. The bill includes several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics. AB 1461 contains identical provisions.
SB 970 (De Leon) Version: 8/20/2012 Sponsor: Western Center on Law and Poverty Status: VETOED	**Health Care Reform Eligibility, Enrollment, and Retention Planning Act: Coordination with Other Programs** This bill would have provided for the transmittal of information to a county human services department about an applicant initially applying for or renewing health care coverage using the single state application developed as a result of existing law in order to have his or her application information used to simultaneously initiate applications for CalWORKs and CalFresh. The bill would have authorized the Secretary of the California Health and Human Services Agency to phase in implementation of these provisions under certain circumstances and to convene a work group of human services and health care advocates, and staffs of the Legislature and appropriate state and local departments, to consider the feasibility, costs and benefits of integrating application and renewal processes for additional human services and work support programs with the single state application described in the bill. The bill would have required that work group results be reported to appropriate fiscal and policy committees of the Legislature by July 1, 2013.

Bill	Summary
SB 1538 (Simitian) Version: 8/22/12 Sponsor: Author Status: CHAPTERED	**Health Care: Mammograms** Requires health facilities at which mammography examinations are performed to include a specified notice in the summary of the written report sent to the patient that notifies patients who have breast dense tissue that they may benefit from supplementary screening. The provisions of the bill become operative on April 1, 2013 and are repealed on January 1, 2019, unless extended by statute.

Knox-Keene Bills

The following list includes bills that would change the requirements of health care service plans under the Knox-Keene Health Care Service Plan Act of 1975.

Bill	Mandated Service or Benefit
AB 137 (Portantino) CHAPTERED	**Health Care Coverage: Mammographies** Requires that health care plans or policies provide coverage for diagnostic or screening mammographies upon referral of specified health care practitioners.
AB 369 (Huffman) VETOED	**Health Care Coverage: Prescription Drugs** Would have imposed specified requirements on health care service plans or insurers concerning restrictions on medications for treatment of pain pursuant to step therapy or fail first protocol.
AB 1000 (Perea) VETOED	**Health Care Coverage: Cancer Treatment** Would have prohibited a health plan or insurer that provides cancer coverage from requiring a higher copayment, deductible or coinsurance for a prescribed, orally administered anti-cancer medication than one administered intravenously or injected.
SB 255 (Pavley) CHAPTERED	**Health Care Coverage: Breast Cancer** Revises the definition of mastectomy and specifies that partial removal of a breast includes, but is not limited to, lumpectomy. The bill also requires the length of hospital stays for mastectomies and lymph node dissections be determined by the provider in consultation with the patient and without prior authorization concerning length of stay.